

Wednesday, 13 November 2024

Report of the Audit Manager

Internal Audit Quarterly Progress Report - Q2 2024/25

Exempt Information

None.

Purpose

To provide Audit & Governance Committee with internal audit's progress report for the period to 30th September 2024.

Recommendations

It is recommended that the Committee notes the following report:

- Internal Audit's Quarterly Progress Report (Q2) (**Appendix 1**)

Executive Summary

The Accounts and Audit Regulations 2015 require councils to undertake an effective internal audit to evaluate effectiveness of their risk management, control and governance processes, taking into account the Public Sector Internal Audit Standards and guidance.

Progress during Quarter 2 of 2024/25 is contained and detailed in **Appendix 1** to this report. The profiled audit plan completion was expected to be 50% of the audit plan by 30th September 2024. During Quarter 2 of 2024/25 we have completed 18% of the overall plan (3 out of 17 audits). A total of 3 audits were deferred and rolled forward from 2023/24 and these as previously reported have been fully completed.

The level of audit coverage in the first two quarters of the financial year have lagged behind the profiled expectations. This has been due to the use of auditor resources on additional work in relation to cash collection at the Assembly Rooms and review of a whistleblowing allegation. This additional work was requested by management and therefore affects the completion of planned audits for the year.

Resources have been reallocated to use BDO as a general audit provider for the remainder of the year and they have now completed the scoping and briefing of their audits with management. Additional work will be allocated for Quarter 4 of this financial year to ensure completion of the 90% of the audit plan by 31st March 2025.

At its meeting on 25th September 2024 the current number of outstanding audit recommendations were discussed. Committee requested a separate analysis of these recommendations and this has been provided as a separate report for discussion by the committee at this meeting.

Audit Opinion

In giving an opinion, contained in **Appendix 1**, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at an opinion, the following matters have been taken into account:

- The outcomes of all audit activity undertaken during the period;
- The effects of any material changes in the organisation's objectives or activities;
- Whether or not any limitations have been placed on the scope of internal audit;
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation; and
- What proportion of the organisation's internal audit needs have been covered to date.

Options Considered

None applicable.

Resource Implications

None applicable.

Legal/Risk Implications Background

Failure to report would lead to non-compliance with the requirements of the Annual Governance Statement and the Public Sector Internal Audit Standards.

Equalities Implications

See **Appendix 2** Community Impact Assessment, no issues identified.

Environment and Sustainability Implications (including climate change)

None.

Background Information

None.

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List of Background Papers

Appendices

Appendix 1 – Internal Audit Quarter Progress Report Q2 2024/25.

Appendix 2 – Community Impact Assessment

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